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FISCAL IMPACT STATEMENT

LS 6414

BILL NUMBER: HB 1289

NOTE PREPARED: Dec 11, 2002

BILL AMENDED:

SUBJECT: Public Computers Accessible to Minors.

FIRST AUTHOR: Rep. Kruse

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires a school corporation or a public library that provides computer access to minors with the ability to connect to a computer communication system to: (1) equip the computer with software that will limit the ability of a minor to gain access to materials inappropriate for minors; or (2) purchase Internet connectivity from an Internet service provider that provides filter services to limit access to materials inappropriate for minors. The bill requires a library board or the governing body of a school corporation to hold an annual public meeting to determine how the public library or school corporation will comply with the requirements and to determine what materials are considered inappropriate for minors. The bill requires the governing body or library board to determine what materials are inappropriate for minors to reflect the community's standards as evidenced during the meeting. This bill provides that a school corporation or a public library may request a grant from the Indiana Technology Fund to pay for the costs of purchasing software or purchase Internet connectivity to comply with the requirements of the statute. This bill requires the request to be approved and the grant to be paid.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Summary:* The fiscal impact of this bill is indeterminable, and would depend on the number of public libraries' and school corporations' requests for grants. However, currently there are no funds available to pay for additional grants.

Approximately \$5 M was approved and earmarked for disbursement from the original FY 2001-2003 appropriation of \$52.5 M to the Indiana Technology Fund (ITF). Approximately \$47.5 M was transferred by the State Board of Finance to the General Fund as part of deficit management.

Background: Under current law (P.L. 340-1995), the ITF is available to help school corporations and libraries to connect to the Internet. The following table illustrates a breakdown of the FY 2001-2003 appropriation to the ITF:

Use	FY 2001-2003 Appropriation	Amount Transferred To General Fund	Amount Approved For Indiana Technology Fund*
State Library & Historical Board, including INSPIRE project	\$6 M	\$3 M	\$3 M
Intelenet Commission	\$4 M	\$2 M	\$2 M
Technology Plan Grants	\$40 M	\$40 M	\$0
Technical scientific instrument instruction	\$2.5 M	\$2.5 M	\$3,600

*Funds are earmarked for disbursement.

Explanation of State Revenues:

Explanation of Local Expenditures: *Background:* Several school corporations surveyed currently use an Internet filtering device on computers used by students. Additionally, some corporations have discussed acquisition of Internet filtering equipment at school board meetings. Currently, Indiana has 293 school corporations.

Approximately 50.6% of 239 public libraries in Indiana that responded to a State Library survey had either installed an Internet filtering device or would by July 1, 2002.

Explanation of Local Revenues:

State Agencies Affected: State Budget Agency.

Local Agencies Affected: School corporations and public libraries.

Information Sources: State Budget Agency; *FY 2002 Distribution of Lottery and Gaming Surplus Account Funds and Riverboat Admissions and Wagering Taxes*; School corporations responding to an LSA information request on Internet filters; www.statelib.lib.in.us.

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